

# State of South Dakota

EIGHTIETH SESSION  
LEGISLATIVE ASSEMBLY, 2005

400L0647

## HOUSE EDUCATION COMMITTEE ENGROSSED NO. **SB 157** - 02/22/2005

Introduced by: The Committee on Education at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to increase the per student allocation in the state aid to  
2 education formula and to exempt from reversion certain funds appropriated for the state aid  
3 to education formula.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 13-13-10.1 be amended to read as follows:

6 13-13-10.1. Terms used in this chapter mean:

7 (1) "Average daily membership," the average number of resident and nonresident  
8 kindergarten through twelfth grade pupils enrolled in all schools operated by the  
9 school district during the previous regular school year, minus average number of  
10 pupils for whom the district receives tuition, except pupils described in subdivision  
11 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the  
12 average number of pupils for whom the district pays tuition;

13 (1A) Nonresident students who are in the care and custody of the Department of Social  
14 Services, the Unified Judicial System, the Department of Corrections, or other state  
15 agencies and are attending a public school may be included in the average daily



membership of the receiving district when enrolled in the receiving district. When counting a student who meets these criteria in its general enrollment average daily membership, the receiving district may begin the enrollment on the first day of attendance. The district of residence prior to the custodial transfer may not include students who meet these criteria in its general enrollment average daily membership after the student ceases to attend school in the resident district;

(2) "Adjusted average daily membership," calculated as follows:

(a) For districts with an average daily membership of two hundred or less, multiply 1.2 times the average daily membership;

(b) For districts with an average daily membership of less than six hundred, but greater than two hundred, raise the average daily membership to the 0.8293 power and multiply the result times 2.98;

(c) For districts with an average daily membership of six hundred or more, multiply 1.0 times their average daily membership;

(3) "Index factor," is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or three percent, whichever is less;

(4) "Per student allocation," for school fiscal year ~~2005~~ 2006 is ~~\$4,086.56~~ \$4,205.26. Each school fiscal year thereafter, the per student allocation is the previous fiscal year's per student allocation increased by the index factor;

(5) "Local need," the per student allocation multiplied by the adjusted average daily membership;

(6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by

1 applying the levies established pursuant to § 10-12-42;

2 (7) "General fund balance," the unreserved fund balance of the general fund, less general  
3 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers  
4 out of the general fund for the previous school fiscal year;

5 (8) "General fund balance percentage," is a school district's general fund balance divided  
6 by the school district's total general fund expenditures for the previous school fiscal  
7 year, the quotient expressed as a percent;

8 (9) "General fund base percentage," is the general fund balance percentage as of June 30,  
9 2000. However, the general fund base percentage can never increase and can never  
10 be less than twenty percent;

11 (10) "Allowable general fund balance," the fund base percentage multiplied by the  
12 district's general fund expenditures in the previous school fiscal year;

13 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5  
14 percentage points;

15 (12) "General fund exclusions," revenue a school district has received from the imposition  
16 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received  
17 from gifts, contributions, grants, or donations; revenue a school district has received  
18 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the  
19 general fund set aside for a noninsurable judgment.

20 Section 2. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as  
21 follows:

22 Any money appropriated for state aid to general education not expended or obligated  
23 pursuant to this chapter is not subject to reversion pursuant to § 4-8-19 and shall be  
24 reappropriated for state aid to general education.